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DEC 26 1989 -4 35 PM

INTERSTATE COMMERCE COMMISSION

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Secretary of the Interstate Commerce Commission 12th and Constitution Avenue, N.W. Washington, DC 20423

DEC 26 1989 -4 35 PM

Re: Recordation of Lease Between Sovran Leasing Corporation and Federal Paper Board Company,

I ACTERISTATE COMMERCE COMMISSION

Dear Secretary:

On behalf of Sovran Leasing Corporation, I have enclosed an original and one certified copy of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the United States Code. Such document is a "primary document" as defined in 49 C.F.R. § 1177.1(a).

The document to be recorded is Supplementary Schedule #5-50 dated December 5, 1989 (the "Supplementary Schedule"), to Master Equipment Lease #6863 dated June 10, 1988 (the "Master Lease"), between Sovran Leasing Corporation, as Lessor, and Federal Paper Board Company, Inc., as Lessee (the Supplementary Schedule and the Master Lease hereinafter are referred to collectively as the "Lease"). The Master Lease provides that its terms and conditions shall apply to each supplementary schedule entered into from time to time, properly executed and made subject to such terms and conditions, as if a separate lease were executed for each supplementary schedule. Thus, a certified copy of the Master Lease is enclosed for recording together with the original Supplementary Schedule, which has been acknowledged in the form required by 49 C.F.R. § 1177.3(a)(2).

The names and addresses of the parties to the Lease are as follows:

Lessee:

Federal Paper Board Company, Inc.

75 Chestnut Ridge Road Montvale, NJ 07645

Lessor:

Sovran Leasing Corporation

Three Gateway Center, Suite 300

Pittsburgh, PA 15222

Secretary of the Interstate Commerce Commission December 20, 1989 Page 2 of 2

A description of the equipment covered by the Lease follows:

Nine (9) 100-Ton 8,253 Cubic Foot Wood Chip Twin Tub Gondola Cars, Specification No. GT-8253-89Q407, consisting of Car Numbers FPBX 549, FPBX 551, FPBX 552, FPBX 554, FPBX 555, FPBX 556, FPBX 557, FPBX 558, FPBX 559.

Also enclosed is a check in the amount of \$15.00 in payment of the filing fee for the Lease. Please return the original and any extra copies not needed by the Commission for recordation to the undersigned at Sovran's address as set forth above.

A short summary of the document to appear in the index follows:

Supplementary Schedule #5-50 dated December 5, 1989, to Master Equipment Lease #6863 dated June 10, 1988, between Sovran Leasing Corporation, as Lessor, and Federal Paper Board Company, Inc., as Lessee, covering Nine (9) 100-Ton 8,253 Cubic Foot Wood Chip Twin Tub Gondola Cars, Specification No. GT-8253-89Q407, consisting of Car Numbers FPBX 549, FPBX 551, FPBX 552, and FPBX 554 through FPBX 559 inclusive.

Very truly yours,

SOVRAN LEASING CORPORATION

By:

John M. Banda Vice President



Sovran Lea ng Corporation, LESSOR

1510 WILLOW LAWN DRIVE • POST OFFICE BOX 8765 • RICHMOND VIRGINIA 23226 • 804-282-6525

Master Equipment Lease

LEASE NO. ___

FULL LEGAL NAME AND ADDRESS OF LESSEE (INCLUDING ZIP CODE)

Federal Paper Board Company, Inc. 75 Chestnut Ridge Road Montvale, New Jersey 07645

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INTERSTATE COMMERCE COMMISSION

PERSON TO CONTACT Patricia M. Roche

TERMS AND CONDITIONS OF LEASE

Lessee and Lessor agree and acknowledge that this Master Equipment Lease (the Lease) is being executed in conjunction with one or more written schedules (Supplementary Schedules) which, by specific reference to this Lease and upon proper execution by Lessee and Lessor, become subject to all the terms and conditions contained herein. The equipment which is the subject of this Lease is described on the Supplementary Schedules. Upon such proper execution of a Supplementary Schedule, any and all additional or specific terms and conditions therein shall be, with respect to the lease of the equipment described in such Supplementary Schedule, incorporated herein and shall have the same force and effect as if such terms and conditions were expressly set forth herein. The terms and conditions contained herein shall apply to each Supplementary Schedule, properly executed and made subject to such terms and conditions, as if a separate Lease were executed for each Supplementary Schedule. The invalidation, fulfillment, waiver, termination, cancellation, or other disposition of any rights or obligations of either the Lessee or Lessor or both of those parties arising from the execution of this Lease in conjunction with any other Supplementary Schedule, except in the event of default by Lessee as provided in Section 11 herein. by Lessee as provided in Section 11 herein

Subsequent wording of this Lease notwithstanding, this Lease is effective with respect to any Supplementary Schedule executed in conjunction herewith for the lease term (as subsequently defined herein) provided in such Supplementary Schedule. Additional Supplementary Schedules may be executed from time to time by the Lessee and the Lessor, and if such Supplementary Schedules reter by date and contracting parties to this Lease, such Supplementary Schedules shall be deemed to be executed in conjunction herewith and to be subject hereto regardless of the date upon which such Supplementary Schedules are executed and notwithstanding that the term of all leases of equipment provided for in previous Supplementary Schedules has ended

Lessor hereby leases to Lessee and Lessee hereby hires from Lessor the equipment described on each Supplementary Schedule executed in conjunction herewith and declared to be and to constitute a part of the equipment leased hereunder (such equipment together with all parts, replacements, repairs, additions, accessions and accessories incorporated therein and/or affixed thereto being hereinafter referred to as the Equipment) on the terms and conditions set forth herein and in such Supplementary Schedules

- 1. LEASE; TERM, RENTAL The lease term (Lease Term) with respect to each item of Equipment is the period of time which includes the Initial Term of the Lease as specified in the block so entitled on Supplementary Schedules executed in conjunction herewith from time to time and includes the Renewal Terms if any specified in the block entitled "ADDITIONAL PROVISIONS," or on any written schedules to the Supplementary Schedules executed in conjunction herewith. The Lease Term commences on the date that the Equipment is delivered by Lessor, or by any manufacturer or supplier of any item of Equipment to Lessee, to an agent of Lessee or to a carrier consigned for shipment either to Lessee or to Lessee's agent, and continuing thereafter until terminated as provided for herein. Unless otherwise provided herein, the first periodic payment of rent shall be payable on the Commencement Date as stated on the Supplementary Schedules executed in conjunction herewith, and subsequent periodic payments shall be payable on the corresponding day of each period thereafter, in the order and amounts stated on the Supplementary Schedules executed in conjunction herewith, until the total rent and all other obligations shall have been paid in full. All payments of rent shall be made to the Lessor at its address set forth above or at such other place as Lessor may designate in writing. Lessee hereby authorized Lessor to insert in the Supplementary. Schedules executed in conjunction herewith the serial numbers and other identification data of the Equipment, when determined by Lessor and dates or other omitted factual matters
- Schedules executed in conjunction herewith the serial numbers and other identification data of the Equipment, when determined by Lessor and dates or other omitted faculal matters.

 2. PURCHASE AND ACCEPTANCE; NO WARRANTIES BY LESSOR: Lessee requests Lessor to purchase Equipment, as described on any Supplementary Schedules executed from time to time in conjunction herewith, from a Seller (the "Seller") and arrange for delivery, which delivery shall be at Lessee's expense and shall be deemed complete upon the Commencement Date as stated on any Supplementary Schedules executed in conjunction herewith Lessor shall have no responsibility. Yor delay of failure of Seller to fill the order for the Equipment THE LESSEE RPRESENTS THAT LESSEE HAS SELECTED THE EQUIPMENT LEASED HEREUNDER PRIOR TO HAVING REQUESTED THE LESSOR TO PURCHASE THE SAMIE FOR LEASING TO THE LESSEE, AND LESSEE AGRES THAT THE LESSOR HAS MADE AND MAKES ON REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE, DIRECTLY OR INDIRECTLY, EXPRESS OR IMPLIED, AS TO ANY MATE THE WHATSOEVER, INCLUDING THE SUITABILITY OF SUCH EQUIPMENT, ITS DURABILITY, ITS FITNESS FOR ANY PARTICULAR PURPOSE. It'S MERCHANTABILITY, ITS CONDITION, AND/OR ITS QUALITY, AND AS BETWEEN LESSEE AND LESSOR OR LESSOR'S ASSIGNEE, LESSEE LESSEE THE EQUIPMENT "AS IS "LESSOR OR LESSOR'S ASSIGNEE SHALL NOT BE LIABLE TO LESSEE FOR ANY LOSS. DAMAGE OR EXPPENSE OF ANY KIND OR NATURE CAUSED DIRECTLY OR INDIRECTLY BY ANY EQUIPMENT LEASED HEREUNDER OR THE USE OR MAINTENANCE THEREOF OR THE FAILURE OF OPERATION THEREOF, OR THE REPAIRS, SERVICE OR ADJUSTMENT THERETO, OR BY ANY DELAY OR FAILURE TO PROVIDE ANY THEREOF, OR BY ANY INTERRUPTION OF SERVICE OR LOSS OF USE THEREOF OR FOR ANY LOSS OF BUSINESS OR DAMAGE OF USE THEREOF OR FOR ANY LOSS OF BUSINESS OR DAMAGE OF USE THEREOF OR FOR ANY LOSS OF BUSINESS OR DAMAGE OF USE THEREOF OR FOR ANY LOSS OF BUSINESS OR DAMAGE OF USE THEREOF OR FOR ANY LOSS OF BUSINESS OR DAMAGE OF USE THEREOF OR FOR ANY LOSS OF BUSINESS OR DAMAGE OF USE THE SELLER SHALL BE BINDING O
- 3 TITLE, NO OPTION TO PURCHASE Lessor shall at all times retain title to the Equipment. All documents of title and evidences of delivery shall be delivered to Lessor Lessee shall not change or remove any insignia or lettering indicating Lessor's ownership of such Equipment, which is on the Equipment at the time of delivery thereof, or which is thereafter placed thereon, and at any time during the Lease Term with respect to such Equipment upon request of Lessor, Lessee shall affix to the Equipment, in a prominent place, labels, plates or other markings supplied by Lessor stating that the Equipment is owned by Lessor Is hereby authorized by Lessee, at Lessor in the Equipment, in a prominent place, labels, plates Schedules executed in conjunction herewith, or any statement or other instrument in respect of this Lease showing the interest of Lessor in the Equipment including Uniform Commercial Code Financing Statements, to be filed or recorded and refiled and re-recorded, and Lessee agrees that Lessor may effect such filing and recording in accordance with applicable law. Lessee agrees to execute and deliver any statement or instrument requested by Lessor for such purpose, and agrees to pay or reimburse Lessor for any filing, recording or stamp fees or taxes arising from the filing or recording of any such instrument or statement. Lessee shall at its expense protect and defend Lessor's title against all persons claiming against or through Lessee, at all times keeping the Equipment free from any legal process or encumbrance whatsoever, including but not limited to liens, attachments, levies, and executions, and shall give Lessor immediate written notice thereof and shall indemnify Lessor from any loss caused thereby. Lessee shall execute and deliver to Lessor, upon Lessors request such further instruments or ownership of any of the Equipment or to convey any interest therein to or ownership of any of the Equipment or to convey any interest therein

(Continued on Reverse)

This Lease consisting of the foregoing, and THE REVERSE SIDE HEREOF, and any Supplementary Schedules correctly set forth the entire Lease between Lessor and Lessee with respect to the use, possession and lease of the Equipment. No agreements or understandings concerning the foregoing shall be binding on either of the parties hereto unless specifically set torth in this Lease or in any Supplementary Schedule executed in conjunction herewith. The term "Lessee" as used herein shall mean and include any and all Lessees who sign hereunder, each of whom shall be jointly and severally bound thereby. THIS LEASE WILL NOT BE BINDING ON LESSOR UNTIL ACCEPTED BELOW.

vectored this 6/10/28 day of	By execution hereof, the undersigned agrees to all the terms and conditions contained herein including those on the reverse
KTTEST Adul- Flynn fr. (Title)	By Authorized Signature and Title)
Jane	(LESSOR- SOVRAN LEASING CORPORATION) By (Authorized Signature And Title)

- 4. CARE AND USE OF EQUIPMENT Lessee shall maintain the Equipment in good operating condition repair and appearance, and protect the same from deterioration, other than normal wear and tear, shall use the Equipment in the regular course of business only, within its normal capacity, without abuse, and in a manner contemplated by the Seller, shall comply with all laws, ordinances, regulations, requirements and rules with respect to the use, maintenance and operation of the Equipment, shall not make any modification, alteration or addition to the Equipment (other than normal operating accessories or controls which shall, when added to the Equipment, become the property of the Lessor) without the prior written consent of Lessor, shall not so affix the Equipment to realty as to change its nature to real property or fixture, and agrees that the Equipment shall remain personal property at all times regardless of how attached or installed; shall keep the Equipment at the location shown on the Supplementary Schedule, and shall not remove the Equipment without the consent of Lessor shall have the right during normal hours, upon reasonable prior notice to the Lessee and subject to applicable laws and regulations, to enter upon the premises where the Equipment is located in order to inspect or observe the Equipment. For the purpose of assuring Lessor that the Equipment will be properly serviced. Lessee agrees in the event that Lessor so requests, to cause the Equipment to be maintained by the Seller pursuant to the Sellers standard preventive maintenance contract or a comparable maintenance contract
- 5 NET LEASE, TAXES. Lessee intends the rental payments hereunder to be net to Lessor, and Lessee shall pay all sales, use, excise, personal property, stamp, documentary and advalorem taxes, license and registration fees, assessments, fines, penalties, and similar charges imposed on the ownership, possession or use of the Equioment during the term of the Supplementary Schedules executed in conjunction herewith, shall pay all taxes (except Federal or State net income taxes) imposed on Lessor or Lessee with respect to the rental payments on the Supplementary Schedules executed hereunder, and shall reimburse Lessor upon demand for any taxes paid by or advanced by Lessor. If requested by Lessor, Lessee shall file all returns required therefor and furnish copies to Lessor
- 6 INDEMNITY: Lessee shall and does hereby agree to indemnify and save Lessor its agents, servants, successors, and assigns harmless from any and all liability, damages, or loss, including reasonable counsel fees, arising out of the ownership, selection, possession, leasing, renting, operation (regardless of where, how and by whom operated) control, use, condition (including but not limited to latent and other detects, whether or not discoverable by Lessee), maintenance, delivery and return of the Equipment or in the event that the Lessee shall be in detault hereunder, arising out of the condition of any item of Equipment sold or disposed of after use by the Lessee. The indemnities and obligations herein provided shall continue in full torce and effect notwithstanding the termination of the Lease.
- INSURANCE: Lessee shall obtain and maintain for the entire term of the Lease, at its own expense, property damage and liability insurance and insurance against loss or damage to the Equipment, including, without limitation loss by fire (including so-called extended coverage), theft, collision and such other risks of loss as are customarily insured against on the type of Equipment leased hereunder and by businesses in which Lessee is engaged, in such amounts, in such form and with such insurers as shall be satisfactory to Lessor, provided, however, that the amount of insurance against loss or damage to the Equipment shall not be less than the greater of the full replacement value of the Equipment or the installments of rent then remaining unpaid plus the residual value of the Equipment as determined by Lessor at the commencement of each Supplementary Schedule. In addition, Lessee will maintain such additional insurance as Lessor may reasonably require. Each insurance policy will name Lessee as an insured and Lessor as an additional insured and loss pave ethereof as Lessors interest may appear, and shall contain a clause requiring the insured to give Lessor at least thirty (30) days prior written notice of any alteration in the terms of such policy or of the cancellation thereof. Lessee shall furnish to Lessor a certificate of insurance or other evidence satisfactory to Lessor that such insurance coverage is in effect, provided, however, that Lessor shall be under no duty either to ascertain the existence of or to examine such insurance policy or to advise Lessee in the event such insurance coverage shall not comply with the requirements hereof. The proceeds of such insurance pavable as a result of loss or of damge to any item of Equipment shall be applied to satisfy Lessees obligations as set forth in Section 8 below. Lessee hereby irrevocably appoints Lessor as Economic for the entire risk of loss, damage or destruction of the Equipment from any and every cause whatsoever during the Lease Term of such
- 8 RISK OF LOSS Lessee hereby assumes the entire risk of loss, damage or destruction of the Equipment from any and every cause whatsoever during the Lease Term of such Equipment and thereafter until redelivery to Lessor. In the event of loss, damage or destruction of any item of Equipment Lessee at its expense (except to the extent of any proceeds of insurance provided by Lessee which shall have been received by Lessor as a result of such loss, damage or destruction), and at Lessor's option, shall either (a) repair such item, returning it to its previous condition, unless damaged beyond repair, or (b) pay Lessor all unpaid rental as may be allocated to such item for the balance of said term plus the residual value of the Equipment, or (c) replace such item with a like item acceptable to Lessor in good condition and of equivalent value which shall become property of Lessor, included within the term "Equipment" as used herein, and leased from Lessor for the balance of the full term of the Supplementary Schedule executed in conjunction herewith covering the Equipment Upon payment or replacement as provided for in clauses (b) or (c) hereof, the Supplementary Schedule executed in conjunction herewith covering said Equipment shall terminate with respect to the items of Equipment so paid for or replaced, and the Equipment so paid for or replaced shall be transferred to Lessee on an as-is basis
- 9. PERFORMANCE BY LESSOR OF LESSEE'S OBLIGATIONS. In the event Lessee fails to comply with any provision of this Lease, Lessor shall have the right, but shall not be obligated, to effect such compliance on behalf of Lessee upon ten (10) days prior written notice to Lessee. In such event, all moneys expended by, and all expenses of Lessor in effecting such compliance shall be deemed to be additional rent, and shall be paid with additional interest at the rate of eight percent (8%) per annum by Lessee to Lessor at the time of the next monthly payment of rent.
- LEASE IRREVOCABILITY AND OTHER COVENANTS AND WARRANTIES OF LESSEE: Lessee agrees that this Lease is irrevocable for the full term set torth in any Supplementary Schedule executed in conjunction herewith, that Lessees obligations under this Lease are absolute and shall continue without abatement and regardless of any disability of Lessee to use the Equipment or any part thereof because of any reason including, but not limited to war, act of God, governmental regulation, strike, loss, damage, destruction obsolescence, failure of or delay in delivery, failure of the Equipment properly to operate, termination by operation by law, or any other cause. Lessee acknowledges that the application statements and financial reports submitted by it to Lessor are material inducements to the execution by Lessor of this Lease. Lessee warrants that such application, statements and reports are, and all information hereafter furnished by Lessee to Lessor will be, true and correct in all material respects as of the date submitted and that no such application, statement or report omits any material fact necessary to make such application, statement or report not misleading. Lessee agrees to procure for Lessor such estoppel certificates, landlords and mortgagees waivers or other similar documents as Lessor may reasonably request. Lessee agrees during the term set forth in any Supplementary Schedule executed in conjunction herewith to turn should be accounted in a nonal financial statement of Lessee and such interim financial statements as Lessor may require. Lessee warrants that this Lease has been duly authorized, and thit no provision of this Lease is inconsistent with Lessee's charter, by-laws, or any loan or credit agreement or other instrument to which Lessee is a party or by which Lessee or its property may be bound or affected.
- 11. DEFAULT If any one of the following events shall occur, then to the extent permitted by applicable law Lessor shall have the right to exercise any one or more of the remedies set torth in Paragraph 12 (a) Lessee fails to pay any rental or other payment as provided in any Supplementary Schedule executed in conjunction herewish when due, and such tailure continues for ten (10) days, or (b) Lessee fails to pay, when due, any indebtedness of Lessee to Lessor arising independently of this Lease, and such default shall continue for ten (10) days, or (c) Lessee breaches any covenant, warranty or agreement hereunder, and such breach continues for ten (10) days after written notice thereof, or (d) Lessee becomes insolvent or is otherwise unable to meet its obligations or makes any assignment for the benefit of creditors, or (e) a receiver, trustee, conservator or liquidator of Lessee or of all or a substantial part of its assets is appointed with or without the application or consent of Lessee, or (f) a petition is filed by or against Lessee under the Bankruptey Code or any amendment thereto or under any other insolvency law or laws providing for the relief of debtors, or (g) any representation or warranty made by Lessee is materially tailse or (h) any default shall be made by Lessee in any obligation for the payment of borrowed money, or (i) Lessee shall suffer an adverse material change in its financial condition from the date hereof, and as a result thereof Lessor deems itself or any of its Equipment to be insecure
- REMEDIES: If an event of default shall occur, Lessor may, at its option, at any time (a) declare the entire amount of unpaid rental for the balance of the term of any or all Supplementary Schedules executed in conjunction herewith, immediately due and payable, whereupon Lessee shall become obligated to pay to Lessor forthwith the total amount of the unpaid rental for the balance of said term and (b) without demand or legal process, enter into the premises where the Equipment may be found and take possession of and remove the Equipment, without liability for suit, action or other proceeding, and all rights of Lessee in the Equipment so removed shall terminate absolutely. Lessee hereby waites notice of, or hearing with respect to, such retaking Lessee shall also be liable for and shall pay to Lessor (a) all expenses, incurred by Lessor in connection with the enforcement of any of Lessors remedies, including all expenses of repossessing and repairing the Equipment, and (b) reasonable attorney's fees of 20% of the total unpaid rental for the balance of the term of any or all Supplementary Schedules executed in conjunction herewith. In addition Lessee agrees to pay all costs and expenses including reasonable attorneys fees incurred by Lessor in having the Equipment abandoned by restaumed from an extract in high functory.

or reclaimed from an estate in bankruptev

Whenever any payment is not made by Lessee when due hereunder, Lessee agrees to pay to Lessor, not later than one month thereafter, an amount calculated at the rate of five cents our one dollar of each such delayed payment, but only to the extent allowed by law. Such amount shall be payable in addition to all amounts payable by Lessee as a result of exercise of any of the remedies herein provided.

All remedies of Lessor hereunder are cumulative are in addition to any other remedies provided for by law, and may, to the extent permitted by law, be exercised concurrently or separately. The exercise of any one remedy shall not be deemed to be an election of such remedy or to preclude the exercise of any other remedy. No failure on the part of the Lessor to exercise and no delay in exercising any right or remedy shall operate as a waiver thereof or modify the terms of this Lease and any and all Supplementary Schedules.

- ASSIGNMENT, NOTICE OF INTENDED ASSIGNMENT Lessor may, without Lessee's consent, assign or transfer this Lease and any and all Supplementary Schedules or any Equipment, any rent, or any other sums due or to become due hereunder, and in such event Lessor's assignee or transferee shall have all the rights powers, privileges and remedies of Lessor hereunder. Lessee hereby acknowledges notice that Lessor may assign this Lease and any and all Supplementary Schedules and upon such assignment Lessee agrees not to assert, as against Lessor's assignee, any defense, setoff, recoupment, claim or counterclaim, whether arising under this Lease and any and all Supplementary Schedule transaction or otherwise lessee shall not assign this Lease or any Supplementary Schedule or any interest hereunder and shall not enter into any sublease with respect to the Equipment covered hereby without lessor's prior written consent
- 14 RETURN OF PROPERTY Upon the termination or expiration of the Lease Term of each Supplementary Schedule or any extension thereof the Lessee shall forth with deliver, treight prepaid, the Equipment described in such Supplementary Schedule to the Lessor at an address designated by Lessor complete and in good order and condition reasonable wear and tear alone excepted. The Lessee shall also pay to the Lessor such sum as may be necessary to cover replacement for all damaged, broken or missing parts of the Equipment of the Equipme
- 15 ENTIRE AGREEMENT, CHANGES This Lease and any and all Supplementary Schedules now and hereafter executed in conjunction herewith contain the entire agreement between the parties and may not be altered, amended modified, terminated or otherwise changed except by a writing signed by an officer of the Leasor
- MISCELLANEOUS This Lease and any and all Supplementary Schedules shall be binding when accepted in writing by the Lessor in the State of Virginia and shall be governed by the laws of the State of Virginia. Lessor and Lessee intend this Lease and any and all Supplementary Schedules to be a valid and subsisting legal instrument, and agree that no provision of this Lease or any Supplementary Schedule which may be deemed unenforceable shall in any way invalidate any other provision or provisions of this Lease and any and all Supplementary Schedules, all of which shall remain in full force and effect. This Lease and any and all Supplementary Schedules shall be binding upon the parties, their successors, legal representatives and assigns

Rider No. 1

Rider part of that Master Equipment Lease attached to and made numbered 6863 dated the <u>10th</u> day of June_ __, 19<u>88</u>___, (herein referred to as "Lease") between Sovran Leasing Corporation (herein referred to as Federal Paper Board Company, Inc. (herein referred to as "Lessee").

Changes to section 1 of Lease:

On fourth line delete: to an agent of Lessee or to a carrier consigned for shipment either to Lessee or to Lessee's agent.

Changes to section 3 of Lease:

On first line after Equipment insert " During the term of the Lease."

On fourth line delete Lessee's change to Lessor's

On seventh line delete: and agree to pay or reimburse Lessor for any filing, recording, or stamp fee, or taxes arising from the filing or recording of any such instrument or statement.

Last line add: Except as otherwise noted in this Lease.

Changes to section 4 of Lease:

On line 1 after Equipment insert "in the same manner as similar equipment owned or leased by Lessee & keep the equipment"

On line 2 after tear insert "of the kind experienced in the forest products industry"

On line 4 delete: the prior written consent

On line 4 after word without insert "notifying." Should read without notifying Lessor.

On line 8 delete: For the purpose of assuring Lessor that the Equipment will be properly serviced Lessee agrees in the event that Lessor so requests to cause the Equipment to be maintained by the Seller pursuant to the Seller's standard preventive maintenance contract or a comparable maintenance contract.

Changes to section 5 of Lease:

On line 1 delete: stamp, documentary

On line 2 after penalties insert "caused by Lessee"

On line 4 & 5 delete: If requested by Lessor, Lessee shall file all returns required therefor and furnish copies to Lessor.

Changes to section 7 of Lease:

On line 5 & 6 delete: In addition Lessee will maintain such additional insurance as Lessor may reasonably require.

On line 6 delete: and loss payee thereof

On line 7 delete: any alteration in the terms of such policy or of

On line 8 insert after shall furnish to Lessor "upon request."

On line 10, 11, & 12 delete: Lessee hereby irrevocably appoints Lessor as Lessee's attorney in fact to make claim for, receive payment of and execute and endorse all documents, checks or drafts received in payment for loss or damage under any such insurance policy.

Changes to section 8 of Lease:

On line 3 delete Lessor's and change to Lessee's

Changes to section 10 of Lease:

On line 9 insert after to Lessor "upon request"

Changes to section 11 of Lease:

On line 8 & 9 delete: Lessee shall suffer an adverse material change in its financial condition from the date hereof, and as a result thereof Lessor deems itself or any of its Equipment to be insecure.

Changes to section 12 of Lease:

Replace paragraph 2 with the following:

If payment is not received by Sovran Leasing Corporation within 5 days of due date, Lessor will notify Lessee. Lessee will have until 10 days from the due date to correct the delinquency. After 10 days, Lessor will collect 1% per month of the payment amount in late charges.

Changes to section 13 of Lease:

Replace section 13 with the following:

Lessor may assign this Lease with Lessee's prior written consent which shall not be unreasonably withheld. Lessor agrees not to assign this Lease more than once per year.

Lessee shall not assign this Lease or any Supplementary Schedule or any

interest hereunder and shall not enter into any sublease with respect to the Equipment covered hereby without Lessor's prior written consent which consent shall not be unreasonably withheld.

Changes to section 14 of Lease:

SOVRAN LEASING CORPORATION

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Upon the termination or expiration of the Lease Term of each Supplementary Schedule or any extension thereof the Lessee shall forthwith make any or all Equipment described in such Supplementary Schedule available to the Lessor at Lessee's dock, complete and in good order and condition, reasonable wear and tear of the kind experienced in the forest products industry as specified in section 4 of the Master Equipment Lease alone excepted. Sovran Leasing Corporation will contract with a carrier to ship Equipment. Lessee agrees to pay the freight bill for a distance up to 200 miles from the plant location.

BY: WILLIAM
TITLE:
DATE: June 22, 1988
FEDERAL PAPER BOARD COMPANY, INC.
BY: Chu & Diseraler
TITLE: U.P.
DATE: 6/10/88

TO LEASE NO. 6863

DATED 1988

BETWEEN SOVRAN LEASING CORPORATION

AND FEDERAL PAPER BOARD COMPANY, INC.

Notwithstanding any provision of that certain Lease dated <u>June 10</u>, ¹⁹⁸⁸ (the "Lease") to the contrary, SOVRAN LEASING CORPORATION ("Lessor") and Federal Paper Board Company, Inc. ("Lessee") agree as follows:

The Lease has been entered into based on the understanding that Lessor shall be entitled with respect to each item of the Equipment to ordinary deductions currently provided by Section 168 Internal Revenue Code of 1986 (the "Code") to an owner of property, including the maximum deductions currently allowable under the modified Accelerated Cost Recovery System in accordance with the optimal accelerated method set forth in Section 168 of the Code (The "MACRS Deduction") for <u>seven (7)</u> year Recovery Property. To that end, the Lessee represents. warrants and covenants unto Lessor that all of the Equipment is "Recovery Property" that qualifies and is eligible for the optimal accelerated method of depreciation for property of its class set forth in Section 168 of the Code, and Lessee shall neither act nor fail to act during the term of the Lease in a manner that would cause the Equipment not to qualify and be eligible for the optimal accelerated method of depreciation for property of its class. If the Lessor (or the consolidated federal tax payer group of which the Lessor is a part) in computing its taxable income or liability for tax, for any reason except for the operation of the Alternative Minimum Tax on Corporations imposed by Section 55 of the Code, shall either lose, or shall not have, or shall lose the right to claim, or there shall be disallowed or recaptured for federal income tax purposes and/or state income tax purposes to the extent that applicable state tax laws, rules or regulations are in conformity with the Code, in whole or in part, all or any of the MACRS Deduction with respect to one hundred percent (100%) of the purchase price of the Equipment or any item of the Equipment (any such event being hereinafter called a "Loss") for any taxable period to the expiration of the original term of this Lease, Lessee shall then indemnify Lessor by payment to Lessor, at Lessor's election, of either:

(A) Supplemental rent to Lessor during the remaining period of the Lease term in an amount necessary to permit Lessor to receive (on an after-tax basis over the full term of the Lease) the same rate of return that Lessor would have realized had there not been a Loss, together with any interest or penalties which may be assessed by the governmental authority (ies) with respect to such Loss, or

(B) a lump sum, payable to Lessor on demand, which shall be equal to the amount necessary for Lessor to receive (on an after-tax basis over the full term of the Lease) the same rate of return that Lessor would have realized had there not been a Loss, together with the amount of any interest or penalties which may be assessed by the governmental authority (ies) with respect to such Loss.

Lessee shall not be obligated to pay any sums required under this Rider in the event the sole cause of the Loss results from a failure of Lessor to timely claim the MACRS Deduction in Lessor's tax return, or a foreclosure by any person holding through the Lessor a lien on the Equipment, which foreclosure results solely from an act of Lessor.

The amount of indemnity payment relative to a loss to be made by Lessee to Lessor on an after tax basis and the net after tax rate of return which Lessor would have realized had there not been a Loss shall be computed on the same assumptions as utilized by Lessor in entering into this transaction, except for those changes in the original assumptions required by changes in the Code or regulations thereunder.

The provisions of this Rider and the representations, warranties, covenants and indemnity contained herein shall continue in full force and effect notwithstanding the expiration of the Lease and shall survive such expiration or early termination of the Lease.

	("PESSEE")
_	By Colon 2 Spander
J	TITLE OF GIOLOX
	SOVRAN LEASING CORPORATION ("LESSOR")
	BY Unsuth of
	TITLE SVA

FEDERAL PAPER BOARD COMPANY, INC.

COMMONWEALTH OF PENNSYLVANIA)
COUNTY OF ALLEGHENY)

AFFIDAVIT

JOHN M. BANDA, having been sworn, deposes and says:

- 1. He is a Vice President of Sovran Leasing Corporation and, in such capacity, he is familiar with and involved in the negotiation and consummation from time to time of equipment leasing transactions with Federal Paper Board Company, Inc.
- 2. He has custody of and control over Sovran Leasing Corporation's files containing the equipment lease documentation entered into from time to time between Sovran Leasing Corporation and Federal Paper Board Company, Inc., including that certain Supplementary Schedule #5-50 dated December 5, 1989 (the "Supplementary Schedule") to Master Equipment Lease #6863 dated June 10, 1988, between Sovran Leasing Corporation, as Lessor, and Federal Paper Board Company, as Lessee.
- 3. He compared an executed original of the Supplementary Schedule with the copy of the Supplementary Schedule attached hereto, and found the copy to be complete and identical in all respects to the original document.

4. Further, the affiant sayeth naught.

John M. Banda

SWORN TO and subscribed before me this day of December, 1989.

Notary Public

My Commission Expires:

NOTARIAL SEAL
ELLIN & DESIMONE, NOTARY PUBLIC
PITTSBURGH, ALLEGHENY COUNTY
MY COMMISSION EXPIRES OCT. 29, 1996

Member, Pennsylvania Association of Notaries

COMMONWEALTH OF PENNSYLVANIA)	
)	SS
COUNTY OF ALLEGHENY)	

AFFIDAVIT

JOHN M. BANDA, having been sworn, deposes and says:

- l. He is a Vice President of Sovran Leasing Corporation and, in such capacity, he is familiar with and involved in the negotiation and consummation from time to time of equipment leasing transactions with Federal Paper Board Company, Inc.
- 2. He has custody of and control over Sovran Leasing Corporation's files containing the equipment lease documentation entered into from time to time between Sovran Leasing Corporation and Federal Paper Board Company, Inc., including that certain Master Equipment Lease #6863 dated June 10, 1988, between Sovran Leasing Corporation, as Lessor, and Federal Paper Board Company, as Lessee (the "Master Lease").
- 3. He compared the executed original of the Master Lease with the copy of the Master Lease attached hereto, and found the copy to be complete and identical in all respects to the original document.

4. Further, the affiant sayeth naught.

John M. Banda

SWORN TO and subscribed before me this day of December, 1989.

Notary Public

My Commission Expires:

NOTARIAL SEAL
ELLIN 8. DeSIMONE, NOTARY PUBLIC
PITTSEURGH, ALLEGHENY COUNTY
MY COMMISSION EXPIRES OCT. 29, 1896
Member: Perinsylvania Association of Notaries